



House of Representatives

General Assembly

File No. 407

February Session, 2008

Substitute House Bill No. 5853

House of Representatives, April 3, 2008

The Committee on Environment reported through REP. ROY, R. of the 119th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT CONCERNING THE ALLOCATION OF STATE FOREST
TIMBER SALES, THIRD-PARTY CERTIFICATION FOR CONNECTICUT
STATE FORESTS AND A SUSTAINABLE FOREST MANAGEMENT
PLAN.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 23-20 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 The Commissioner of Environmental Protection shall administer the
4 statutes relating to forestry and the protection of forests. The
5 commissioner may employ such field and office assistants as may be
6 necessary for the execution of his or her duties. The commissioner
7 may, from time to time, publish the forestry laws of the state and other
8 literature of general interest and practical value pertaining to forestry.
9 The commissioner may enter into cooperation with departments of the
10 federal government for the promotion of forest resource management
11 and protection within the state. The commissioner may, with the
12 assistance of the State Forester, develop and administer plans for the

13 protection and management of publicly-owned woodlands. Such plans
14 shall include, but not be limited to proposals for the establishment of
15 forest plantations and the marketing of forest products. [The] Not later
16 than January 10, 2010, the commissioner [may] shall apply to have
17 publicly-owned woodlands or products from such woodlands certified
18 or licensed under one or more of the following, provided the
19 commissioner uses private funding from gifts, donations or bequests,
20 as authorized in this section, for the cost of all such applications: (1)
21 The [sustainable] Sustainable Forestry Initiative Program, (2) the
22 American Tree Farm System, (3) the Canadian Standards Association's
23 Sustainable Management System Standards, (4) the Finnish Standard,
24 (5) the Forest Stewardship Council, (6) the Pan-European Forest
25 Certification Program, (7) the Swedish Standards, (8) the United
26 Kingdom Woodland Assurance Scheme, [or] (9) the Smart Wood
27 Program, as administered by the Rainforest Alliance, or (10) any other
28 programs deemed necessary, as determined by the commissioner. The
29 commissioner shall implement any sustainable forestry practice
30 necessary for such certification or licensure. The commissioner may
31 accept, on behalf of the Department of Environmental Protection, any
32 gifts, donations or bequests for the purposes of applying for and
33 obtaining such certification or licensure. The commissioner may
34 harvest forest products from woodlands owned by the state and take
35 such other measures as he or she deems necessary for their efficient
36 management and protection, may sell wood, timber and other
37 products from any state woodlands whenever he or she deems such
38 sales desirable and may develop recreational facilities in the
39 woodlands managed by the Department of Environmental Protection.
40 The commissioner shall charge no less than ten dollars per cord for any
41 such wood or timber sold as fuel. The commissioner may rent state
42 forest property and buildings thereon under his or her jurisdiction for
43 a period not exceeding twenty-five years, provided any lease for such
44 property and building for a term of more than ten years shall be
45 subject to the review and approval of the State Properties Review
46 Board. The proceeds of such sales, rentals and any receipts resulting
47 from management of the state forests, or from reimbursements from

48 other state departments or state institutions, shall be deposited in the
49 General Fund in accordance with the provisions of section 4-32,
50 provided the [amount of annual proceeds in excess of eight hundred
51 seventy-five thousand] first one million dollars derived from the sale
52 of wood, timber and other products from publicly-owned woodlands
53 shall be deposited in the Conservation Fund, as established in section
54 22a-27h and shall be used only to support forestry programs.
55 Expenditures incurred by the commissioner for the protection,
56 management and development of the forests, the preparation and
57 marketing of forest products and the acquisition of land for the
58 extension and completion of the state forests as provided in section 23-
59 21 [shall] may also be paid with moneys appropriated from the
60 General Fund. The provisions of this section shall not apply to land
61 owned or managed by the state on which forest resource management
62 measures may be restricted by deed, statute, or incompatible use. As
63 used in this section, woodland means land owned or managed by a
64 state agency and stocked with forest tree species not less than six
65 hundred stems per acre and at least one year old.

66 Sec. 2. (NEW) (*Effective from passage*) (a) On or before July 1, 2009,
67 the Department of Environmental Protection shall, in consultation with
68 the Connecticut Agricultural Experiment Station, The University of
69 Connecticut and any other entities deemed appropriate by said
70 commissioner, complete a study regarding sustainable harvesting of
71 forests in this state.

72 (b) The Department of Environmental Protection, in consultation
73 with the Connecticut Agricultural Experiment Station, The University
74 of Connecticut and any other such entities deemed appropriate by said
75 commissioner, shall develop a sustainable forest harvesting plan based
76 on the results of the study completed pursuant to subsection (a) of this
77 section. The plan shall take into account carbon credit opportunities,
78 the potential for maintaining a sustainable supply of biomass fuels,
79 and the agricultural and silvicultural capability of the region.

80 (c) Not later than July 1, 2009, the Commissioner of Environmental

81 Protection shall report, in accordance with the provisions of section 11-
82 4a of the general statutes, to the joint standing committee of the
83 General Assembly having cognizance of matters relating to the
84 environment the conclusions of the study completed pursuant to
85 subsection (a) of this section.

86 Sec. 3. (*Effective from passage*) The sum of two hundred thousand
87 dollars is appropriated to the Department of Environmental
88 Protection, from the General Fund, for the fiscal year ending June 30,
89 2009, to implement the provisions of section 2 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	23-20
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

ENV *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Department of Environmental Protection	GF - Cost	200,000	60,000-80,000
Department of Environmental Protection	Conservati - Revenue Impact	See Below	See Below
UConn	GF - See Below	See Below	See Below

Note: GF=General Fund; Conservati=Conservation Fund

Municipal Impact: None

Explanation

The bill appropriates \$200,000 in FY 09 to the Department of Environmental Protection (DEP) to implement a study regarding the sustainable harvesting of forests in the state. There are currently about 1.8 million acres of state forest land, of which over 100,000 acres are owned by the state and are commercially accessible for timber harvest.

There would also be a cost to DEP of \$60,000-\$80,000 in FY 10 for initial dual third-party certification for publicly-owned woodlands or woodland products. sHB 5021, the revised FY 09 budget, as favorably reported by the Appropriations Committee, does not include funds for this purpose.

It would also result in revenue impacts to the General Fund and the Environmental Conservation (EC) Fund, since it directs the first \$1.0 million of revenue generated from the sale of wood, timber, and other products from publicly-owned woodlands to the EC Fund, and requires that those funds are only to be spent to support forestry programs. Any excess revenues would flow to the General Fund.

Since \$385,000 in revenue is anticipated from timber sales in FY 09 and FY 10, and is not anticipated to reach the \$1.0 threshold, there is no

impact under this bill. To the extent that timber sales exceed \$1.0 million in subsequent years, there could be an indeterminate revenue loss to the General Fund and an indeterminate revenue gain to the EC Fund.

In FY 07, the General Fund received \$577,000 in revenue as a result of timber sales.

The estimated EC fund balance on 6/30/08 is \$5.9 million. The EC Fund is used for the administration of conservation programs and is funded primarily through fees generated from parking, admission, boat launching, camping and other recreational uses of state parks, forests, boat launches, and other state facilities.

It is anticipated that any impact to the University of Connecticut, to consult with DEP to prepare a study regarding sustainable forest harvesting, would be covered by funding provided to DEP.

The Out Years

There would be costs to DEP every five years after initial third-party certification for ongoing certification costs. The cost for the recertification five years into the future cannot be determined at this time. The revenue impact to the EC and General Funds is based upon the market price of timber, which experienced a reduction of about 50%, starting in 2007, and actual sales.

OLR Bill Analysis**sHB 5853*****AN ACT CONCERNING THE ALLOCATION OF STATE FOREST
TIMBER SALES, THIRD-PARTY CERTIFICATION FOR
CONNECTICUT STATE FORESTS AND A SUSTAINABLE FOREST
MANAGEMENT PLAN.*****SUMMARY:**

The bill requires the Department of Environmental Protection (DEP), in consultation with the Connecticut Agriculture Experiment Station, the UConn and any other entities deemed appropriate, to complete a study regarding sustainable harvesting of forests in the state. The bill requires the commissioner to report the study's conclusions to the Environment Committee by July 1, 2009.

The bill requires the commissioner to use the study as the basis for a sustainable forest-harvesting plan, developed in consultation with the same entities. The plan must take into account carbon credit opportunities, the potential for maintaining a sustainable supply of biomass fuels, and the agricultural and silvicultural capability of the region. Silvicultural refers to the control of the establishment, growth, composition, health, and quality of forests to meet diverse needs and values of many landowners.

It bill appropriates \$200,000 in FY 09 from the General Fund to DEP for the completion of the study and the plan.

The bill also makes changes to current law governing forestry and the protection of forests. Current law requires the annual deposit of proceeds from state sales of timber, wood, and other products from publicly owned woodlands in excess of \$875,000 into the Conservation Fund, which pays for various DEP programs. The bill requires that

proceeds up to \$1 million from such sales be deposited into the Conservation Fund, and restricts their use to the support of forestry programs. The bill does not specify if this is an annual deposit.

The bill requires the DEP commissioner to have Connecticut's forests, woodlands, and products from these certified or licensed by January 10, 2010. It broadens the list of organizations acceptable for the certification and licensing to include all organizations endorsed by the Forest Stewardship Council.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 30 Nay 0 (03/14/2008)